



CITY OF DETROIT

MARY WATERS

COUNCIL MEMBER AT-LARGE

MEMORANDUM

To: David Whittaker, Legislative Policy Division

Through: Mary Sheffield, City Council President

From: Council Member At-Large Mary Waters submitting memorandum relative to

Date: 5/22/2025

RE: Questions on HUD Section 108 Loan Usage

SUMMARY:

Following our recent meeting regarding HUD Section 108 loans, it was noted that the City has repaid its previous HUD loans and is now eligible to borrow up to \$150 million. The proposal was discussed to secure new loans for \$150 million, with an allocation of \$70 million toward filling construction cost gaps for new housing developments, primarily mixed-income units at or around 80% AMI.

Please coordinate across departments to provide us with an overview of how the City of Detroit can best use this Section 108 loan funding in support of housing initiatives. This overview should include, but not be limited to:

- New housing development
- Gap financing
- Rehabilitation of properties owned by the Detroit Land Bank Authority (DLBA)

- Assistance to homeowners to support compliance with DLBA program requirements

DEPARTMENTAL CONTACT:

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